## Message Text

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**ACTION ARA-20** 

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SS-20 USIA-15 DRC-01 AGR-20

STR-08 SWF-02 /191 W

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R 292336Z AUG 74 FM AMEMBASSY MEXICO TO SECSTATE WASHDC 3557

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E.O. 11652: N/A TAGS: ELAB MX

SUBJECT: NATIONAL WAGE NEGOTIATIONS

REF: MEXICO 7287 MEXICO 6960

- 1. SEVERAL INDUSTRY ASSOCIATIONS AND MIXED EMPLOYER ASSOCIATIONS HAVE PUBLICLY OPPOSED PAYING 35 PERCENT WAGE INCREASE BEFORE STRIKE DEADLINE OF SEPTEMBER 20, 1974. NOTABLE AMONG THIS INDUSTRY GROUP IS CHAMBER OF TEXTILE INDUSTRY OF PUEBLA AND TLAXCALA WHICH CLAIMS A 35 PERCENT WAGE INCREASE WOULD DESTROY INDUSTRY'S COMPETITIVE POSITION WITH FOREIGN INDUSTRY RESULTING IN CLOSING OF MOST MEXICAN COTTON MILLS.
- 2. GOVERNMENT SUGAR INDUSTRY UNION SPOKESMAN SAYS INDUSTRY ABLE ABSORB INCREASE BY DIVERTING INDUSTRY'S TAX INCOME FROM SOFT DRINK COMPANIES TO COVER INCREASED PAYROLL.
- 3. BOTH LABOR AND MANAGEMENT PUBLICLY AND PRIVATELY ADMITTING WAGE INCREASE FORTHCOMING. BUT LITTLE IS SAID ABOUT AMOUNT. LIMITED OFFICIAL USE

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CURRENT SPECULATION RANGES FROM 12 PERCENT TO 25 PERCENT.

PERHAPS PRESIDENT ECHEVERRIA WILL ANNOUNCE SALARY INCREASE FOR FEDERAL EMPLOYEES AT HIS STATE OF NATION SPEECH ON SEPTEMBER 1, 1974, WHICH COULD INFLUENCE LEVEL OF INCREASE FOR PRIVATE SECTOR.

4. COMMENT: WAGE INCREASE INEVITABLE. NATIONAL STRIKE UNLIKELY HOWEVER SCATTERED PLANT WIDE STRIKES EXPECTED THROUGHOUT COUNTRY AT THOSE PLACES OF BUSINESS WHERE COMPANIES REFUSE TO MEET NATIONAL FORMULA. JOVA

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## Message Attributes

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